

Message Text

UNCLASSIFIED

PAGE 01 MUSCAT 00833 130337Z
ACTION NEA-11

INFO OCT-01 EUR-12 ISO-00 EB-08 /032 W
-----037482 130524Z /17

R 130330Z JUN 78
FM AMEMBASSY MUSCAT
TO SECSTATE WASHDC 4415
INFO AMEMBASSY ABU DHABI
AMEMBASSY ANKARA
AMEMBASSY ATHENS
AMCONSUL BOMBAY
AMEMBASSY DOHA
AMCONSUL ISTANBUL
AMEMBASSY KUWAIT
AMEMBASSY MANAMA
AMEMBASSY NEW DELHI
USDOC WASHDC

UNCLAS MUSCAT 0833

USDOC FOR CAGNE: ATHENS FOR RTDO

E.O. 11652: N/A
TAGS: BEXP, ECON, ELAB, MU, IN
SUBJECT: FEB 79 CONSTRUCTION EQUIPMENT SPECIALIZED TRADE
MISSION TO OMAN AND TURKEY

REF (A) STATE 110484; (B) MUSCAT 777

SUMMARY: ALTHOUGH SOME FIRMS ARE OPTIMISTIC ABOUT 1979, CONSTRUCTION
MAY BE A DEPRESSED INDUSTRY IN OMAN FOR SOME TIME TO COME.
CONSTRUCTION FIRMS ARE MARKING TIME AND REDUCING THEIR PAYROLLS BY
REPATRIATING INDIAN WORKERS. THE EMBASSY SUGGESTS DROPPING THE
CONSTRUCTION EQUIPMENT SPECIALIZED TRADE MISSION (TM) AND
SUBSTITUTING A MORE VIABLE ONE. END SUMMARY.

1. FOR COST DATA FOR SUBJECT MISSION SEE REF B.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MUSCAT 00833 130337Z

2. EMBASSY RESPONSE TO PARA 1 REF A:

A. MUSCAT ONLY - MOST CONSTRUCTION CENTERED IN CAPITAL AREA AND
ALL CONSTRUCTION FIRMS HAVE THEIR OFFICES HERE.

B. LATEST EQUIPMENT FOR ROAD CONSTRUCTION OVER DESER TAND

MOUNTAINOUS TERRAIN.

C. 1977 IMPORT OF CONSTRUCTION MACHINERY (SITC DIVISION 718.4)
TOTALLED R.O. 30.6 MILLION. U.S. SHARE NOT AVAILABLE, BUT KNOWN
TO BE SMALL. NO LOCAL PRODUCTION OR EXPORT.

D. 2 PERCENT GENERAL IMPORT DUTY, NO SALES TAX, NO CURRENCY
RESTRICTIONS, NO MAJOR TRADE RESTRICTION EXCEPT BOYCOTT OF ISRAEL.

E. MAJOR FOREIGN COMPETITION: LANCER BOGGS, COLES CRANE, JCB,
OGDENS (UK), ELBA (W. GERMANY), CAME (ITALY).

F. NONE

G. PAVING OF NIZWA-SALALAH NORTH-SOUTH ROAD.

#. NONE.

8. WILLIAMS BROTHERS (TULSA), GROVE INTERNATIONAL (NEW YORK), ROY
JORGENSEN ASSOCIATES (MARYLAND).

3. EMBASSY ASSUMES THAT OBJECTIVES OF TRADE MISSION ARE TO ADVERTISE
U.S. PRODUCTS AND TO SECURE SALES FOR NEAR FUTURE. THE SECOND
OBJECTIVE APPEARS UNLIKELY TO BE ATTAINABLE. CONSTRUCTION
ACTIVITY HAS SLOWED HERE AS SUPPLY OF OFFICES AND HOUSING HAS
CAUGHT UP WITH DEMAND AND ROAD PROJECTS NEAR COMPLETION.
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 MUSCAT 00833 130337Z

REPORTEDLY DUME A FRENCH FIRM, IS LEAVING OMAN AND SEVERAL
OTHER LARGE EUROPEAN FIRMS, LONG ESTABLISHED IN OMAN, HAVE LITTLE
WORK TO DO. EXPATRIATE WORKERS FROM INDIA ARE BEING RETURNED HOME
AND ARE NOT BEING REPLACED. CONSTRUCTION FIRMS ARE COUNTING ON
HARD SURFACEING OF THE NIZWA-SALALH ROAD TO TAKE UP THE SLACK. IT
WILL BE TOO BIG FOR ANY ONE FIRM AND WHOEVER GETS IT WILL HAVE
TO SUB-CONTRACT.

4. THE MANAGER OF A U.S. CONSTRUCTION FIRM TOLD EMBASSY THAT HE
SAW LITTLE NEED FOR ADDITIONAL EQUIPMENT FOR ROAD BUILDING FOR SOME
TIME. THE REPRESENTATIVE OF AN OMANI TRADING FIRM SAID HE ACTUALLY
HAD USED EQUIPMENT FOR SALE. IN THE HOUSING MARKET RENTS HAVE
STARTED TO FALL AND MANY COMPLETED HOUSES AND APARTMENTS
HAVE SAT VACANT FOR MANY MONTHS.

5. THE CONSTRUCTION FIRMS CONTACTED STATE THEY WOULD BE PLEASED TO
DISCUSS NEW CONSTRUCTION EQUIPMENT WITH U.S. SUPPLIERS. THE
LARGEST FIRM, JOANNOU AND PARASKEVAIDES (J & P) (CYPRUS),
THOUGHT 1979 WOULD BE A BETTER YEAR, BUT SEEMED TO BE PINNING
ITS HOPES ON THE NIZWA-SALALAH ROAD, FOR WHICH FUNDING HAS NOT
BEEN OBTAINED AND ON SEVERAL MILITARY PROJECTS IN THE
MUSANDAM PENINSULA.

6. ACTION REQUESTED - IN VIEW OF THE ABOVE EMBASSY SUGGESTS THIS
TM VISIT TO OMAN BE CANCELLED. RESOURCES SAVED MIGHT BE USED TO
ADD OMAN AS A STOP ON DEC 79 FRANCHISE OPERATIONS TRADE MISSION
TO BAHRAIN, QATAR, AND UAE. THERE HAS BEEN A FAIR AMOUNT OF
INTEREST EXPRESSED IN SUCH OPERATIONS AND AT PRESENT WIMPY'S IS
THE ONLY FAST FOOD OUTLET OPERATING IN MUSCAT. DUBAI ALREADY HAS
A KENTUCKY FRIED CHICKEN RESTAURANT WHOSE FAME HAS SPREAD ALL THE
WAY TO MUSCAT. EMBASSY HOPES THIS CHANGE CAN BE MADE AS THE
OMANIS DESERVE A BREAK (TODAY) AND SUCH A TM WOULD BE FINGER-
LICKING GOOD.
SIZER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSTRUCTION EQUIPMENT, TRADE VISITS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MUSCAT00833
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780246-0256
Format: TEL
From: MUSCAT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780665/aaaacefe.tel
Line Count: 127
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 2157498a-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 STATE 110484, 78 MUSCAT 777
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2374270
Secure: OPEN
Status: NATIVE
Subject: FEB 79 CONSTRUCTION EQUIPMENT SPECIALIZED TRADE MISSION TO OMAN AND TURKEY
TAGS: BEXP, ECON, ELAB, MU, IN, TU
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/2157498a-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014